

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1115 - HB 907

March 14, 2013

SUMMARY OF BILL: Requires a health plan issuer to provide a written report of claim information within 30 days of a written request from a plan, plan sponsor, or plan administrator. The report of claim information must contain the following information for the 36-month period preceding the date of the request or for the entire period of coverage, whichever is shorter: aggregate paid claims experience by month; total premiums paid by month; total number of covered employees on a monthly basis by coverage tier; and a separate description of any claim exceeding \$10,000. The report must include the total dollar amount of claims pending as of the date of the report that were first filed during the 24-month period preceding the date of the request or for the entire period of coverage, whichever is shorter. A health benefit plan issuer must provide to a plan, plan sponsor, or plan administrator a supplemental written report of claim information no later than the 30th day after the date of termination of coverage under a group health plan, if the plan, plan sponsor, or plan administrator makes the request before the date of termination of coverage. A plan, plan sponsor, or plan administrator may use the information in a written report of claim information only as necessary to perform treatment, payment, or health care operations as those activities are described under 45 C.F.R. § 164.501 (HIPAA definitions). A health benefit plan issuer that releases information, including protected health information, in accordance with the bill will not have violated a standard of care and is not liable for civil damages resulting from, and is not subject to criminal prosecution for, releasing such information.

The bill applies to a governmental entity that enters into a contract with a health benefit plan issuer that results in the health benefit plan issuer delivering, issuing for delivery, or renewing a group health plan. A report of claim information is confidential and exempt from public records disclosure.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- According to the Department of Finance and Administration, Benefits Administration, any increased administrative expenditures required to comply with the requirements of the bill can be accommodated within the existing resources of the Department without an increased appropriation or reduced reversion.

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- According to the Bureau of TennCare, the fiscal impact of the bill on the Bureau will be not significant.
- According to the Department of Commerce and Insurance, the fiscal impact of the bill on the Department will be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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